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2 **So Ordered.**



Patricia C. Williams
Patricia C. Williams
Bankruptcy Judge

3 **Dated: August 20th, 2013**

4
5 UNITED STATES BANKRUPTCY COURT
6 EASTERN DISTRICT OF WASHINGTON

7 In re:

DC No. 11-CV-360-RMP

8 LLS AMERICA, LLC,

Case No. 09-06194-PCW11

9 Debtor(s).

10 BRUCE P. KRIEGMAN, solely in his
capacity as court-appointed Chapter 11
Trustee for LLS America, LLC,

Adversary No. 11-80297-PCW11

11 Plaintiff(s),

12 vs.

REPORT AND RECOMMENDATION
RE: PLAINTIFF'S MOTION FOR
ENTRY OF DEFAULT JUDGMENT
AGAINST DEFENDANT
WENTWORTH BJARNASON (ECF
NO. 537)

13 0817726 BC, LTD., et al.,

14 Defendant(s).

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16 The Honorable Patricia C. Williams, sitting in the United States Bankruptcy
17 Court for the Eastern District of Washington, hereby files this Report and
18 Recommendation regarding plaintiff's Motion for Entry of Default Judgment Against
19 Defendant Wentworth Bjarnason (ECF No. 537) filed with the bankruptcy court in
20 this adversary proceeding.

1 This Report and Recommendation is made pursuant to the Honorable Rosanna
2 Malouf Peterson's Order Granting Joinder and Withdraw of Reference and Referring
3 Back to Bankruptcy Court for Further Proceedings entered on April 25, 2012 (ECF
4 No. 34) in district court case No. 11-CV-360-RMP.

5 The recommendation is that plaintiff's Motion for Entry of Default Judgment
6 Against Defendant Wentworth Bjarnason (ECF No. 537) be granted and the attached
7 Default Judgment be entered in this adversary proceeding. The basis for this
8 recommendation is that an Order of Default was entered by the bankruptcy court on
9 July 17, 2013 (ECF No. 509).

10 ///END OF REPORT AND RECOMMENDATION///

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Attorneys to Bruce P. Kriegman, Chapter 11 Trustee

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WASHINGTON**

In Re:

LLS AMERICA, LLC,

Debtor.

BRUCE P. KRIEGMAN, solely in his
capacity as court-appointed Chapter 11
Trustee for LLS America LLC,

Plaintiff,

v.

0817726 BC, LTD., et al.,

Defendants.

US District Case No. 11-CV-360-RMP

Bankruptcy No. 09-06194-PCW11

Adversary No. 11-80297-PCW 11

**DEFAULT JUDGMENT AGAINST
DEFENDANT WENTWORTH
BJARNASON**

JUDGMENT SUMMARY

Judgment Creditor: Bruce P. Kriegman, solely in his capacity as the
Liquidating Trustee under the Confirmed Plan of
the Debtor

Attorneys for Witherspoon Kelley
Judgment Creditor:

DEFAULT JUDGMENT- 1

{S0746820; 1 }



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Judgment Debtor: Wentworth Bjarnason

Principal Amount of \$57,686.42 CAD
Judgment: \$ 250.00 US

Interest on Judgment: Weekly Average of One-Year Constant Maturity
(nominal) treasury yield as published by the
Federal Reserve System (28 USC § 1961)

This Court having previously entered an Order of Default against Defendant Wentworth Bjarnason (Adv. Doc. No. 509), and having reviewed the previously filed Memorandum of Authorities (Adv. Doc. No. 491) and Affidavit of Curtis Frye (Adv. Doc. No. 492), and the Affidavit of Shelley N. Ripley in Support of Plaintiff's Motion for Default Judgment filed herewith, and being fully advised in the premises,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that the Plaintiff, Bruce P. Kriegman, solely in his capacity as court-appointed Chapter 11 Trustee for LLS America, LLC, shall have a judgment against the Defendant Wentworth Bjarnason, as follows:

1. Monetary Judgment in the amount of CAD \$57,686.42, pursuant to 11 U.S.C. § 550 and RCW 19.40.071;

2. Transfers in the amount of CAD \$19,908.00 made to the Defendant within four years prior to the Petition Filing Date are hereby avoided and Plaintiff may take all necessary action to preserve the same, pursuant to 11 U.S.C. §§ 544, 550, 551 and 548(a) and (b) and RCW 19.40.041(1) and (2) and RCW 19.40.071;

DEFAULT JUDGMENT- 2

{S0746820; 1 }



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3. Transfers in the amount of CAD \$37,778.42 made to the Defendant more than four years prior to the Petition Filing Date should be avoided and Plaintiff should be authorized to take all necessary action to preserve the same, pursuant to 11 U.S.C. §§ 544, 550 and 551 and RCW 19.40.041(1) and 19.40.071;

4. All said transfers to Defendant Wentworth Bjarnason are hereby set aside and Plaintiff shall be entitled to recover the same, or the value thereof, from Defendant Wentworth Bjarnason for the benefit of the estate of LLS America, pursuant to 11 U.S.C. §§ 544, 550 and 551;

5. All proofs of claim of the Defendant which have been filed or brought or which may hereafter be filed or brought by, on behalf of, or for the benefit of Defendant Bjarnason or any affiliated entities, against the Debtor's estate, in this bankruptcy or related bankruptcy proceedings, are hereby disallowed and subordinated to the monetary judgment granted herein and Defendant Wentworth Bjarnason shall not be entitled to collect on their proof of claim (Claim No. 422-1) until the monetary judgment is satisfied by Defendant Wentworth Bjarnason in full, pursuant to 11 U.S.C. §§ 502(d), 510(c)(1) and 105(a);

6. A constructive trust is hereby established over the proceeds of all transfers in favor of the Trustee for the benefit of the estate of LLS America; and

7. Plaintiff is hereby awarded costs (i.e. filing fee) in the amount of \$250.00 USD, for a total judgment of CAD \$57,686.42, plus \$250.00 USD, which

1 shall bear interest equal to the weekly average of one-year constant maturity
2 (nominal) treasury yield as published by the Federal Reserve System.

3 Entered this ____ day of _____, 2013.
4
5
6

7 HONORABLE ROSANNA PETERSON
8

9 *Presented by:*
10

11 WITHERSPOON • KELLEY

12 s/ Shelley N. Ripley

13 Shelley N. Ripley, WSBA No. 28901

14 Daniel J. Gibbons, WSBA No. 33036

15 Attorneys for Bruce Kriegman, Chapter 11 Trustee
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DEFAULT JUDGMENT- 4

{S0746820; 1 }



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